



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Neil Reiff, Esq.  
Sandler Reiff Lamb Rosenstein & Birkenstock, P.C.  
1090 Vermont Ave. NW, Suite 750  
Washington, DC 20005

DEC 22 2017

RE: MUR 7049  
Alaska Democratic Party and  
Cyndi Cieslak in her official  
capacity as treasurer

Dear Mr. Reiff:

On April 27, 2016, the Federal Election Commission (the "Commission") notified your above-listed clients of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you and your clients, the Commission, on December 13, 2017, voted to dismiss the allegation that the Alaska Democratic Party and Cyndi Cieslak in her official capacity as treasurer (the "Committee") violated 52 U.S.C. § 30104(b). The Factual and Legal Analysis, which more fully explains the Commission's decision, is enclosed for your information.

The Commission also instructs the Committee to consult with the Commission's Reports Analysis Division and amend disclosure reports to accurately reflect transactions related to Margaret for Alaska's use of the Committee's voter database, in compliance with the Act.

MUR 7049 (Alaska Democratic Party)  
Neil Reiff, Esq.  
Page 2

Documents related to the case will be placed on the public record within 30 days.  
See Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702  
(Aug. 2, 2016).

If you have any questions, please contact Wanda D. Brown, the attorney assigned to this  
matter, at (202) 694-1650.

Sincerely,



Mark Allen  
Assistant General Counsel

Enclosure  
Factual and Legal Analysis

100-444444-10

1 **FEDERAL ELECTION COMMISSION**

2  
3 **FACTUAL AND LEGAL ANALYSIS**

4  
5 **RESPONDENTS:** Alaska Democratic Party and **MUR: 7049**  
6 Carolyn Covington<sup>1</sup> in her  
7 official capacity as treasurer  
8 Margaret Stock  
9 Margaret for Alaska and  
10 Tim Pearson in his official  
11 capacity as treasurer  
12

13 **I. INTRODUCTION**

14 The Complaint alleges that Margaret for Alaska and Tim Pearson in his official capacity  
15 as treasurer (the "Committee"), the campaign committee of 2016 U.S. Senate candidate Margaret  
16 Stock, violated the Federal Election Campaign Act of 1971, as amended (the "Act"), by failing to  
17 file disclosure reports.<sup>2</sup> A supplemental Complaint alleges that the Alaska Democratic Party  
18 ("ADP") violated the Act by "sharing" its voter database with the Committee.

19 Based on the available information, the Commission finds no reason to believe that the  
20 Committee violated 52 U.S.C. § 30104(a) by failing to file required disclosure reports. In  
21 addition, the Commission exercises its prosecutorial discretion and dismisses the allegations that  
22 Respondents violated 52 U.S.C. § 30104(b) by failing to disclose transactions related to the  
23 Committee's use of ADP's voter database.<sup>3</sup>

<sup>1</sup> At the time of the Complaint, Cyndi Cieslak served as treasurer. On March 3, 2017, the Alaska Democratic Party named Carolyn Covington as its treasurer. See Amended Statement of Organization, Alaska Democratic Party (Mar. 3, 2017), available at <http://docquery.fec.gov/pdf/207/201703039050597207/201703039050597207.pdf>.

<sup>2</sup> The Complaint also makes allegations concerning candidate eligibility for Alaska's primary election and filing requirements of the Alaska Division of Elections. The Complaint further alleges that ADP conspired to support a Republican candidate running as an Independent in Alaska's 2016 primary election. These allegations are outside the Commission's jurisdiction.

<sup>3</sup> See *Heckler v. Chaney*, 470 U.S. 821 (1985)

**II. FACTUAL AND LEGAL ANALYSIS**

Margaret Stock was an Independent candidate for U.S. Senate in Alaska's 2016 general election, and Margaret for Alaska is her principal campaign committee.<sup>4</sup> Although Stock ran as an Independent, the Complaint asserts that the Alaska Democratic Party supported Stock instead of its own candidate.<sup>5</sup>

**A. Disclosure Reports**

The Complaint alleges that the Committee did not file disclosure reports with the Commission.<sup>6</sup> Margaret Stock responds that her Committee timely filed its disclosure reports since Stock declared her candidacy on February 17, 2016.<sup>7</sup>

The Act and the Commission's regulations require each treasurer of an authorized political committee to file quarterly reports of receipts and disbursements.<sup>8</sup> In addition to an authorized committee's regular quarterly reports, in any year where there is a regularly scheduled election for which a candidate is seeking election, or nomination for election, the treasurer shall file a pre-election report, which shall be filed no later than the 12th day before an election, as well as a post-general election report, which shall be filed no later than the 30th day after any general election.<sup>9</sup>

<sup>4</sup> FEC Form 1, Statement of Organization, Margaret for Alaska (Feb. 24, 2016).

<sup>5</sup> Compl. at 1. There are no entries on ADP's disclosure reports that indicate that it made expenditures on behalf of Stock or the Democratic Senate nominee. Stock placed third in the election, after the Republican incumbent and a Libertarian candidate, but before the Democratic candidate.

<sup>6</sup> Compl. at 2.

<sup>7</sup> Stock Resp. at 1-2 (June 14, 2016); FEC Form 2, Statement of Candidacy, available at <http://docquery.fec.gov/pdf/949/201602220200074949/201602220200074949.pdf> (Feb. 16, 2016).

<sup>8</sup> 52 U.S.C. § 30104(a), (b); 11 C.F.R. §§ 104.1, 104.3(a), (b), 104.5(a).

<sup>9</sup> 52 U.S.C. § 30104(a)(2)(i), (ii); 11 C.F.R. § 104.5(a)(2).

The Committee filed its Statement of Organization on February 24, 2016. Its first quarterly disclosure report, the 2016 April Quarterly Report, was timely filed on April 15, 2016, and it appears that the Committee has met all of its subsequent reporting deadlines.<sup>10</sup> Thus, the Commission finds no reason to believe that the Committee violated 52 U.S.C. § 30104(a).<sup>11</sup>

#### B. Use of ADP's Voter Database

The supplement to the Complaint alleges that ADP violated the Act by "sharing" the ADP's voter database with the Committee.<sup>12</sup> The Committee acknowledges in its response that ADP "has made its voter database available to Margaret for Alaska at considerable cost" to the Committee.<sup>13</sup> Reports on file with the Commission show that the Committee made \$20,000 in "contributions" to ADP,<sup>14</sup> and ADP received these contributions:<sup>15</sup>

Margaret for Alaska Contributions Made		Alaska Democratic Party Contributions Received	
Amount	Date	Amount	Date
\$1,000	08/04/2016	\$1,000	08/09/2016
\$1,000	08/15/2016	\$1,000	09/02/2016
\$8,000	09/06/2016	\$8,000	09/07/2016
\$5,000	10/04/2016	\$5,000	10/11/2016
\$5,000	10/19/2016	\$5,000	10/31/2016

<sup>10</sup> See Committee/Candidate Detail, Margaret for Alaska.  
<http://www.fec.gov/fecviewer/CandidateCommitteeDetail.do>.

<sup>11</sup> The Complainant signed the Complaint on April 19, 2016, four days after the Committee submitted its first disclosure report. See Compl. at 1, 14 (Notarization and Complainant's signature).

<sup>12</sup> Supp. Compl. at 1.

<sup>13</sup> Committee Resp. to Supp. at 1 (Oct. 17, 2016).

<sup>14</sup> Margaret for Alaska, 2016 October Quarterly Report at 158 (Oct. 14, 2016); 2016 Pre-General Report at 51 (Oct. 24, 2016).

<sup>15</sup> Alaska Democratic Party, 2016 September Monthly Report at 11 (Sept. 21, 2016); 2016 October Monthly Report at 37 (Oct. 20, 2016); 2016 Pre-General Report at 23 (Oct. 27, 2016); 2016 Post-General Report at 40 (Dec. 9, 2016). ADP's August 9, 2016, and September 7, 2016, receipts contain the notation "Candidate Buy-in." The Commission does not know the meaning of this notation, although it may relate to the Complaint's general allegation that the ADP supported Stock, the Independent candidate in the 2016 U.S. Senate election.

1 The Respondents provided further information as to whether these transactions were in  
2 partial or full payment for use of the database. The Committee and ADP both acknowledge that  
3 at least some of these transactions were the Committee's payments for use of ADP's database.<sup>16</sup>

4 The Act and Commission regulations require political committees to itemize  
5 disbursements, including a brief description of each disbursement's purpose.<sup>17</sup> Descriptions,  
6 when considered along with the identity of the disbursement recipient, must be sufficiently  
7 specific to make clear the purpose of the disbursement.<sup>18</sup> Political committees are also required  
8 to disclose and itemize contributions and other receipts.<sup>19</sup> In addition, the Act requires political  
9 committees to disclose contributions made and received.<sup>20</sup>

10 Although the Committee states that ADP made its voter database available to the  
11 Committee "at considerable cost," it did not disclose any disbursement to ADP regarding the  
12 database, and ADP did not disclose any corresponding receipts. Respondents, however, have  
13 since acknowledged that at least some of the transactions identified on the two committees'  
14 reports as contributions to ADP were actually payments for use of ADP's database.  
15 Accordingly, it appears that payments were incorrectly described in disclosure reports.<sup>21</sup>  
16 However, given the unique circumstances of this particular case, and in furtherance of the  
17 Commission's priorities relative to other matters pending on the Enforcement docket, the

<sup>16</sup> Email from Neil O'Donnell to Wanda Brown (Nov. 13, 2017 08:37 PM) and Email from Neil Reiff to Wanda Brown (Nov. 16, 2017 04:06 PM).

<sup>17</sup> 52 U.S.C. § 30104(b)(4)-(7); 11 C.F.R. § 104.3(b)(3), (4).

<sup>18</sup> 11 C.F.R. § 104.3(b)(3), (4); "Purpose of Disbursement" Entries for Filings with the Commission, 72 Fed. Reg. 887 (Jan. 9, 2007).

<sup>19</sup> 11 C.F.R. § 104.3(a)(2).

<sup>20</sup> 52 U.S.C. § 30104(b)(2), (3).

<sup>21</sup> See 52 U.S.C. § 30104(b)(2)-(4).

- 1 Commission exercises its prosecutorial discretion and dismisses the allegations that Respondents
- 2 violated 52 U.S.C. § 30104(b).<sup>22</sup>